

REMARKS

This responds to the Office Action mailed on December 6, 2007.

Claims 1, 7, 15, 16, 17, 19, 20, 22, 25, 26, 28, 30, 32, 38, 44, 53 and 59 are amended, claims 6 and 43 are canceled, and no claims are added; as a result, claims 1-5, 7-42 and 44-64 are now pending in this application.

Claim Objections

Claims 15, 17, 20, and 25-26 were objected to for informalities. In response to the objections, the aforementioned claims were amended as suggested by the Office Action.

Information Disclosure Statement

Applicants submitted an Information Disclosure Statement and a 1449 Form on April 6, 2004 and a Supplemental Information Disclosure Statement and a 1449 Form on April 8, 2004. Examiner returned copies of the 1449 Forms with many of the references lined through and not indicated to have been considered. Applicants enclose copies of the lined through references herewith and respectfully requests that initialed copies of the 1449 Forms be returned to Applicant's Representatives to indicate that the cited references have been considered by the Examiner.

§102 Rejection of the Claims

Claims 1-9, 14, 16-18, 20-21, 28-30, 32-46, 51, 53-55 and 57-58 were rejected under 35 U.S.C. § 102(b) for anticipation by Harrington et al. (U.S. 6,161,099; hereinafter "Harrington").

Applicants respectfully submit that the rejection of claims 1-9, 14, 16-18, 20-21, 28-30, 32-46, 51, 53-55 and 57-58 under 35 U.S.C. § 102(b) is defective for the reason that Harrington does not disclose each and every limitation of the independent claims of the present application.

To anticipate a claim, the reference must teach every element of the claim.¹ Applicants believe that the issue of patentability over the teachings of Harrington is best understood with regard to claim 1.

Claim 1, as amended, includes the following limitation:

....the bid receiving process being a declining auction, and being characterized by reducing the published interest rate at which the financial instrument is offered for sale during the bid receiving process...

Although the Office Action relies upon the following illustration and quote from Harrington, Applicants note that Harrington fails to disclose a declining auction characterized by reducing a published interest rate at which a financial instrument is offered for sale.

¹ "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference," *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, USPQ2d 1051, 1053 (Fed. Cir. 1987).

Auction 56

Auction Date	Auction Type	Start	End	Time of Last Update	Auction Status
Mon., Feb 23, 1998	MRM	9:30 am	10:00 am	3:10:16 pm	Over

\$91,760,000*

The Pittsburgh Water and Sewer Authority, Pennsylvania
Water and Sewer System First Lien Revenue Bonds,
Series A of 1998

Name of firm submitting bid: MuniAuction, Inc.
This auction is competing with Pittsburgh Water and Sewer Series AAON.

As of 3:10:16pm, bids have been submitted for all maturities. 74

72 **Calculate/Update**

IMPORTANT: Bidders must click the 'Calculate/Update' button frequently during auction to update 'Time of Last Update'. Also, clicking 'Calculate/Update' does not result in bid submission.

Submit Bid

Due	Principal Amount*	Coupon	Purchase Price	OR	Yield to Maturity	Your Status
September 01, 2017	\$8,275,000	%	%	OR	%	Not Winner
September 01, 2018	\$8,695,000	%	%	OR	%	Not Winner
⋮	⋮	⋮	⋮	⋮	⋮	⋮
⋮	⋮	⋮	⋮	⋮	⋮	⋮
September 01, 2025	\$12,370,000	%	%	OR	%	Not Winner

Calculate/Update

IMPORTANT: Bidders must click the 'Calculate/Update' button frequently during auction to update 'Time of Last Update'. Also, clicking 'Calculate/Update' does not result in bid submission.

Submit Bid

Go to: [Notice of Sale](#), [Amendments](#) modified 2/20/98 @ 11:23am, [FAQs](#), [Rules](#) modified 2/2/98 @ 11:40am [Instructions](#), [Reminders](#), [Selections](#)
Exit to: [MuniAuction Home Page](#)

FIG. 10 illustrates a blank form upon which a user may prepare a proposed maturity by maturity bid. The user enters a coupon and price, or yield, for each principal maturity it wants to purchase. To determine the yield associated with the price and coupon combination (or the price associated with their coupon and yield combination) without actually submitting a bid, the user can click the "Calculate/Refresh" button 72, which calculates the yield (or price) without actually submitting it. If the user submits a bid and it results in a yield lower than the "best yield", whether shown or not, for that maturity, the user may choose to click the "Submit Bid" button 74 and become the new "Leader" with the "best yield" for that maturity (provided time remains before the auction ends). In a maturity by maturity auction only, if no other bidder submits a better bid before the auction ends, then the leader becomes the successful bidder or "Winner" of the auction for the relevant maturity or maturities.

Fig. 10

The above figure and quote from Harrington relate a bid preparation submission page.² The bid preparation submission page is a form upon which a user may prepare and/or enter a bid. The user may enter a coupon and price, or yield for each principal maturity it wants to purchase. The user may utilize the bid preparation submission page to determine a purchase price based on a coupon and yield to maturity, determine a yield to maturity based on coupon and a purchase price or enter a bid. The user is deemed the leader of an auction if the user submits a bid resulting in a yield lower than the best yield. The method of claim 1 functions otherwise.

Claim 1 requires a bid receiving process characterized by reducing the published interest rate at which the financial instrument is offered for sale. In contrast, the above Figure and quote from Harrington relate a bid entered by a user to purchase a maturity. A user entering a bid to purchase a maturity is different from a bid receiving process characterized by reducing an

² Col. 6, lines 1-2.

interest rate at which a financial instrument is offered for sale. Broadly, the above from Harrington relates an offer to buy and the quoted limitations of claim 1 require an offer to sell. Harrington therefore cannot be said to anticipate the above quoted limitation because Harrington relates a bid entered by a user to purchase a maturity and claim 1 requires a bid receiving process characterized by reducing an interest rate at which a financial instrument is offered for sale. These are distinguishable actions.

In summary, because Harrington does not disclose each and every limitation of claim 1, it fails to make a *prima face* showing of anticipation as is required to support a rejection of this claim under 35 U.S.C. § 102(b).

The above remarks are also applicable to a consideration of independent claims 16, 28, 32, 38 and 53.

As dependent claims are deemed to include all limitation of claims from which they depend, the rejection of claims 2-9, 14, 17-18, 20-21, 29-30, 33-37, 39-46, 51, 54-55 and 57-58 under 35 U.S.C. § 102(b) is also addressed by the above remarks, and the amendments contained herein.

§103 Rejection of the Claims

Claims 24-25 and 61-62 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington in view of et al. (U.S. Publication No. 2002/0198814; hereinafter “Bansal”) and further in view of Tenenbaum (U.S. Publication No. 2001/0027436; hereinafter “Tenenbaum”).

Applicants respectfully submit that the rejection of the aforementioned claims under 35 U.S.C. § 103 is defective for the reason that the cited documents, even when combined as described in the Office Action do not teach or suggest all of the claim limitations of the independent claims of the present application.

Applicable Law

In rejecting claims under 35 U.S.C. §103, the Examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. *See* M.P.E.P. §2142.

Further, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*³. “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*⁴. Office personnel must rely on the applicant’s disclosure to properly determine the meaning of the claims. *Markman v. Westview Instruments*⁵.

Argument

Applicant believes that the issue of patentability over the combination of Harrington and Bansal and Tenenbaum is best understood with regard to the limitations of claim 22 which has been rewritten to depend on claim 25.

Claim 22, as amended, includes the following limitation:

upon termination of the ascending auction based on a predetermined time that is modified based on a number of bids received for the IR item

³ 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

⁴ 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

⁵ 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir.) (*en banc*), *aff’d*, U.S., 116 S. Ct. 1384 (1996).

The Office Action, in rejecting claim 25 which is dependent upon claim 22, contends that part of the limitations of claim 25 that are now included in the above quoted limitations from claim 22, is taught/suggested by the following as related by Tenenbaum:

[0213] e. Auction duration

[0214] In order to enable Lenders to fully assess the risks involved in a certain auction and to fix an interest rate accordingly, the site will initially recommend the Borrowers to set the duration of an Auction at a minimum of 10 days.

[0215] The "5 minute rule" will apply, thus the auction will end only 5 minutes after the last bid was received.

The above quote from Tenenbaum relates to Auction Duration. A site may recommend a borrower to set a duration of an auction to be a minimum of ten days. In addition, an auction may end five minutes after a last bid is received. The method of claim 22 functions otherwise.

Claim 22, as amended to include limitations from claim 25, requires a termination of an ascending auction based on a predetermined time that is modified based on a number of bids received for an interest receiving item. In contrast, Tenenbaum relates terminating an auction based on a duration set by a borrower and a duration after a last bid is received. Clearly, Tenenbaum relates a first termination that is unrelated to bids and relates a second termination that is based on a duration after a last bid is received. In contrast, the limitations of claim 22 requires a termination based on a predetermined time that is modified based on a number of bids received. Accordingly, Tenenbaum does not begin to teach or suggest the limitations of claim 22 which require a termination of an ascending auction based on a predetermined time that is modified based on a number of bids received for an interest receiving item.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 24, 61 and 62 under 35 U.S.C. § 103 is also addressed by the above remarks.

Claims 10-13, 15, 22-24, 26-27, 31, 47-50, 52, 59-61 and 63-64 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington in view of Bansal.

Claims 10-13 and 15 depend on independent claim 1. Claim 31 depends on independent claim 28. Claims 47-50 and 52 depends on independent claim 38. The cited patent application to

Bansal does not supply the elements of the independent claims 1 and 38 that were shown above to be missing from Harrington. If an independent claim is not anticipated under 35 U.S.C. § 102 then, any claim depending therefrom is nonobvious and rejection of claims 10-13, 15, 31, 47-50 and 52 under 35 U.S.C. § 103 is also addressed by the above remarks.

Independent claims 22 and 59 were rewritten to include limitations from dependent claim 25. The cited patent application to Bansal and the patent to Harrington do not supply the elements of the independent claims 1 and 38 that were shown above to be missing from Tenenbaum. If an independent claim is not obvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 10-13, 15, 31, 47-50 and 52 under 35 U.S.C. § 103 is also addressed by the above remarks.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 24, 26, 27 and 61-64 under 35 U.S.C. § 103 is also addressed by the above remarks.

Claims 19 and 56 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harrington in view of Tenenbaum.

Claim 19 depends on independent claim 16 and claim 56 depends on independent claim 53. The cited patents to Harrington and Bansal do not supply the elements of the independent claims 22 and 59 that were shown above to be missing from Tenenbaum. If an independent claim is not anticipated under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 19 and 53 under 35 U.S.C. § 103 is also addressed by the above remarks.

Reconsideration and allowance of all of the pending claims, as amended, is respectfully requested.

Reservation of Rights

In the interest of clarity and brevity, Applicants may not have equally addressed every assertion made in the Office Action, however, this does not constitute any admission or acquiescence. Applicants reserve all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of

the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicants do not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicants timely object to such reliance on Official Notice, and reserves all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicants reserve all rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

CONCLUSION

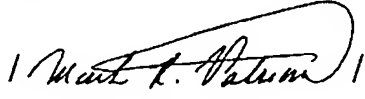
Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney at 408-278-4046 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,


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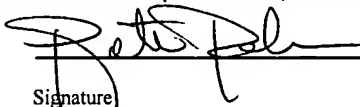
Date March 6, 2008

By 

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 6 day of March 2008.


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